

# OFFICIAL PROCEEDINGS OF THE BOARD OF TRUSTEES CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM

Regular Meeting  
Council Conference Room  
10th Floor, City Hall  
Lansing, MI

January 17, 2017  
Tuesday, 8:30 a.m.

The Board was called to order at 8:34 a.m.

Present: Trustees Fabus, Good, Oleson, Wilcox, Wohlfert, Wood – 6.  
Absent: Trustee Bernero. St. Aubin

Others: Karen E. Williams, Finance Department; Greg Stump, Boomershine Consulting Group; Mark Parker, Employees Retirement System Board; Attorney Ken Lane, Clark Hill (representing the City Attorney's Office).

Trustee Wohlfert presided.

It was moved by Trustee Wood and supported by Trustee Good to take item d 2017 Police and Fire Trustee Officer Elections out of order from other business.

Adopted by the following vote: 6 - 0

It was moved by Trustee Good and supported by Trustee Wood to nominate and elect Brad St. Aubin as chairperson and Eric Wohlfert as vice chairperson.

There were no further nominations.

Adopted by the following vote: 6- 0

It was moved by Trustee Wood and supported by Trustee Good to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of December 20, 2016.

Adopted by the following vote: 6 – 0

It was moved by Trustee Wood and supported by Trustee Good to approve of the Official Minutes of the Joint Police and Fire Retirement System Board and the Employees Retirement System Board Meeting of December 20, 2016.

Adopted by the following vote: 6 – 0

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Secretary's Report.

0 new fire member(s), 3 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total: Active membership: 338. 0 death(s). Refunds made since the last regular meeting amounted to \$0.00. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of December 2016 amounted to \$2,553,598.36. Total retirement checks printed for the P&F System: 730. Total retirement checks printed for both systems: 1637. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

It was moved by Trustee Fabus and supported by Trustee Good to approve the following application for Regular Age and Service Retirement:

Brian S. Whitsitt, Police Department, age 56, 21 years of service credit, effective December 31, 2016

Robert Oleson, Fire Department, age 50, 25 years of service credit, effective February 23, 2017.

Adopted by the following vote: 6 – 0.

There were no requests for Duty Disability retirements.

There were no requests for Non Duty Disability retirements.

There were no requests for Refund of Accumulated Contributions.

Trustee Mark Parker, from the Employees' Retirement System Board, inquired if the Joint Retirement Boards would like to plan an Educational Conference for members and retirees. Trustee Parker noted that the last conference was 2013.

It was moved by Trustee Good and supported by Trustee Rose to excuse Trustee St. Aubin from the January Police and Fire Retirement Board meeting.

Adopted by the following vote: 6 -0.

Attorney Ken Lane reported that a draft of the Retirement Ordinance was sent the Mayor's Office to be referred to City Council. Attorney Lane also forwarded a copy to Board members for review.

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Attorney Lane distributed updated investment policy that was approved at the December Joint Meeting.

Attorney Lane distributed the proposed budget for 2017 for ERS Board review. Attorney Lane noted that he would update the 2016 expenditures once those amounts became available.

It was moved by Trustee Fabus and supported by Trustee Good to approve the proposed budget for 2017 for the Police and Fire Retirement Board.

Adopted by the following vote: 6 - 0.

Attorney Lane recommended that the Police and Fire Retirement Board System re-adopt the existing travel and education policy. Each trustee would be allocated \$4,000 for in-state travel, and \$6,000 for out-of-state travel.

It was moved by Trustee Good and supported by Trustee Fabus to re-adopt the existing Police and Fire Retirement Policy for 2017.

Adopted by the following vote: 6 – 0.

Attorney Lane distributed the vendor review policy that includes the medical director.

Trustee Fabus inquired if legal counsel had found information regarding having a medical panel and how it would work for duty disability evaluation.

Attorney Lane was researching the information with MAPERS. Attorney Lane explained that under Public Act 314, the Board would have a doctor, the applicant would have a doctor and then both doctors would agree upon a third. A change to the medical panel would require an Ordinance change.

Trustee Wood inquired if the Board would be responsible to pay all three doctors.

Trustee Wohlfert indicated that in many cases, the third doctor would not be required, if both the Board's doctor and applicant doctor agreed.

Attorney Lane indicated that he would research the questions raised by the Police and Fire Retirement Board and report upon his research at the next meeting.

It was moved by Trustee Wood and supported by Trustee Fabus to approve the Vendor Review Policy.

Adopted by the following vote: 6 -0.

Attorney Lane reported that he had reviewed the ABS contracts and that they were ready to be signed by the chairperson.

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Attorney Ken Lane recommended the Police and Fire Retirement Board update its Trustee Handbook at the next meeting.

Attorney Lane recommended that the SAS 70 Report be accepted contingent upon the Information Technology manager's review.

It was moved Trustee Wood and supported by Trustee Good to accept the SAS 70/Custody and Fund Services SOC 1 Report from Northern Trust, contingent upon review by the Information Technology manager, and if there are any issues, the report would come back to the Police and Fire Retirement Board for reconsideration.

Adopted the following vote: 6 -0.

Mr. Gregory Stump of Boomershine Consulting Group reviewed the Actuarial Experience Study for the Police and Fire Retirement System Board. My Stump reviewed the recommendations for changes to the economic assumptions, mortality assumptions and demographic assumptions. Mr. Stump recommended lowering the inflation rate to 2.75% and investment return rate to 7.25%.

Mr. Stump discussed the impact of wage increases, career pay, and inflation on liability, Mr. Stump discussed the mortality tables used in the assumption review.

Trustee Wood requested recommendations for lowering the investment return rate in steps, in light of budget constraints. Trustee Wood also requested information on the impact of accepting the recommendations in the report.

Mr. Stump stated that you can lower the rate over the course of a few years, but the Board must commit to an ultimate rate. He also indicated the current assumption changes would add 1 million to the contribution from the city.

Trustee Fabus indicated that he would like discuss the actuarial recommendations further at the next meeting.

Trustee Wood indicated that the Board's decision regarding assumption changes should be completed before the City budget is presented.

Mr. Stump indicated that he would need the Board's decision before the next actuarial valuation.

Karen Williams notified members to review the subcommittee assignments and submit their request to either the chairperson or retirement office.

Karen Williams reported that Retirement Office received a FOIA for base pay, FAC and pension figures.

Attorney Ken Lane noted that Public Act 314 does exempt pension calculations from FOIA.

The Tegrity Visit was proposed for spring 2017.

Trustee Rose spoke with the City Clerk's Office and would like to set up a meeting with the Retirement Office and trustees regarding archived minutes.

Karen Williams reported that the City Clerk's Office sent a memo to board clerks to submit all future approved meeting to the agenda center.

Karen Williams distributed the medical director contract at the last meeting for the Board's review.

Ms. Williams presented Monthly Investment Report for the month of December 2016.

It was moved by Trustee Wood and supported by Trustee Wilcox to adjourn the meeting.

Adopted by the following vote: 6 -0

The meeting adjourned at 9:48 a.m.

Minutes approved on \_\_\_\_\_

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Angela Bennett, Secretary  
Police & Fire Retirement System

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Brad St. Aubin, Chairperson  
Police & Fire Retirement System